

Introduced by Senator Perata

February 20, 2003

An act to amend the heading of Chapter 3.3 (commencing with Section 1570) of Division 2 of, to amend Sections 1570, 1570.2, 1570.7, 1572, 1572.5, 1572.9, 1573.5, 1574.7, 1575.2, 1575.5, 1579, and 1580 of, to add Section 1574.8 to, and to repeal Sections 1573 and 1574 of, the Health and Safety Code, and to amend Sections 14520, 14521, 14528, 14529, 14550, 14552, 14570, 14571, 14573, and 14575 of the Welfare and Institutions Code, relating to adult day health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 428, as amended, Perata. Adult day health care.

The

(1) *The California Adult Day Health Care Act* governs the provision of adult day health care, with administrative responsibility for this program shared between the State Department of Health Services and the California Department of Aging. Existing law also provides for the inclusion of adult day health services to Medi-Cal beneficiaries.

~~This bill would declare the intent of the Legislature to enact specified legislation to revise the law relating to the provision of adult day health care services.~~

This bill would rename the act as the California Adult Day Health Care Licensing Act, and would make conforming changes.

(2) *The act contains various provisions that refer to “functionally impaired adults.”*

This bill would change those references to “persons with a disability.”

(3) *The act establishes the Long-Term Care Committee, composed as specified, in the California Department of Aging, to function as an advisory body to that department and advise the director regarding the development of community-based long-term care programs, and to perform other duties, as specified.*

This bill would delete the above provisions.

(4) *The act requires the Director of the California Department of Aging to make recommendations regarding licensure to the Licensing and Certification Division of the State Department of Health Services with respect to adult day health care programs, based on specified criteria.*

This bill would add as a criterion recommendations regarding compliance with Medi-Cal certification requirements, as specified.

(5) *The act authorizes the board of supervisors of each county, or those of more than one adjacent county, to establish an adult day health care planning council, composed as specified. The act authorizes, and in some cases requires, the State Department of Health Services to hold a public hearing on each individual proposal for an adult day health care center, in conjunction with the local adult day health care planning council in the county to be served.*

This bill would delete those provisions.

(6) *The act requires each planning council approved by the director to adopt an adult day health care plan for the county or counties represented by the council, consistent with specified state guidelines. Existing law requires the director to submit any application for licensure as an adult day health center within a planning council's jurisdiction to the council for its review, recommendation, and comments.*

This bill would repeal this requirement.

(7) *The act authorizes the State Department of Health Services to delegate to local health departments the authority to verify compliance with the licensing and approval provisions of the act, and specifies various procedures relating to that delegation.*

This bill would repeal those provisions.

(8) *The act requires that an applicant, concurrently with the submission of an application for initial licensure as an adult day health care center, apply to the State Department of Health Services for eligibility certification as a provider of adult day health care services reimbursable under the Medi-Cal program.*



This bill would instead require that the Medi-Cal provider eligibility application be made to the State Department of Health Services prior to the submission of an application for initial licensure as an adult day health care center.

(9) The act contains provisions governing the operation of rural alternative adult day health care centers.

This bill would revise these requirements.

(10) The act requires the State Department of Health Services to adopt, amend, or repeal reasonable rules and regulations as may be necessary to carry out the purposes and intent of the act. Existing law requires the department to take into account specified factors in adopting regulations.

This bill would require the department, in addition to factors specified, to take into account the flexibility needed to meet the needs of California's minority and ethnically diverse older population.

(11) Existing law establishes licensure requirements with respect to adult day care services and adult day support services.

This bill would provide that notwithstanding any other provision of law, if an adult day health care center licensee also provides adult day care or adult day support center services, the adult day health care license shall be the only license required to provide these additional services, and that costs shall be allocated among the programs in accordance with generally accepted accounting principles.

(12) Pursuant to the Adult Day Health Medi-Cal Law, adult day health care services are a covered benefit under the Medi-Cal program.

This bill would rename this law the Adult Day Health Care Medi-Cal Act.

(13) The act requires an applicant for initial adult day health care center licensure to file with the State Department of Health Services an application, as specified. The applicant is required to include evidence satisfactory to the department, of the ability of the applicant to comply with the act and the rules and regulations adopted thereto.

This bill would specify that this evidence is required to include a statement of precertification approval provided by the California Department of Aging, as specified, in relation to Medi-Cal requirements for adult day health care services for Medi-Cal beneficiaries, and evidence that a place of business has been secured through purchase or lease that will serve as the licensed adult day health care facility.

This bill would require that prior to obtaining initial licensure as a provider of adult day health care services under the Medi-Cal program,

an applicant must receive precertification approval from the California Department of Aging, and would establish application, training, and examination requirements. The bill would authorize the department to give priority to applicants for precertification based on demonstrated need or other specified criteria.

(14) Existing law requires adult day health care centers to offer, and to provide specified services.

This bill would revise provisions relating to the services required to be provided, to the qualifications needed by those providing certain services, and to the bases for determining the services to be provided to consumers.

(15) Existing law requires that billing for adult day health care services under the Medi-Cal program be submitted directly to the State Department of Health Services.

This bill would delete that requirement.

(16) Existing law requires that each adult day health care provider maintain a uniform accounting and reporting system, as prescribed.

This bill would delete those provisions.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. It is the intent of the Legislature to enact~~
2 SECTION 1. *The heading of Chapter 3.3 (commencing with*
3 *Section 1570) of Division 2 of the Health and Safety Code is*
4 *amended to read:*

5
6 CHAPTER 3.3. CALIFORNIA ADULT DAY HEALTH CARE
7 LICENSING ACT

8
9 SEC. 2. *Section 1570 of the Health and Safety Code is*
10 *amended to read:*

11 1570. This chapter shall be known and may be cited as the
12 California Adult Day Health Care *Licensing Act*.

13 SEC. 3. *Section 1570.2 of the Health and Safety Code is*
14 *amended to read:*

15 1570.2. The Legislature hereby finds and declares that there
16 exists a pattern of overutilization of long-term institutional care for
17 elderly persons, and that there is an urgent need to establish and to

1 continue a community-based system of quality adult day health
2 care ~~which~~ *that* will enable elderly persons to maintain maximum
3 independence. While recognizing that there continues to be a
4 substantial need for facilities providing custodial care,
5 overreliance on this type of care has proven to be a costly panacea
6 in both financial and human terms, often traumatic, and
7 destructive of continuing family relationships and the capacity for
8 independent living.

9 It is, therefore, the intent of the Legislature in enacting this
10 chapter and related provisions to provide for the development of
11 policies and programs that will accomplish the following:

12 (a) ~~Assure~~ *Ensure* that elderly persons *with disabilities* are not
13 institutionalized inappropriately or prematurely.

14 (b) Provide a viable alternative to institutionalization for those
15 elderly persons *with disabilities* who are capable of living at home
16 with the aid of appropriate health care or rehabilitative and social
17 services.

18 (c) Establish adult day health *care* centers in the community for
19 this purpose, that will be easily accessible to all participants,
20 including ~~the~~ economically disadvantaged ~~elderly person~~ *persons*,
21 and that will provide outpatient health, rehabilitative, and social
22 services necessary to permit the participants to maintain personal
23 independence and lead meaningful lives.

24 (d) Include the services of adult day health *care* centers as a
25 benefit under the Medi-Cal Act, that shall be an initial and integral
26 part in the development of an overall plan for a coordinated,
27 comprehensive continuum of optional long-term care services
28 based upon appropriate need.

29 (e) Establish a rural alternative adult day health care program
30 designed to meet the special needs and requirements of rural areas
31 to enable the implementation of subdivisions (a) through (d),
32 inclusive, for all Californians in need of those services.

33 (f) Ensure that all laws, regulations, and procedures governing
34 adult day health care be enforced equitably, regardless of
35 organizational sponsorship, and that all program flexibility
36 provisions be administered equitably.

37 (g) Support the role of the Adult Day Health Care Planning
38 Council in ensuring accountability to the community and
39 approving equitable distribution of adult day health care centers,
40 including the definition *and establishment* of service areas.

(h) *Build upon the 1999 United States Supreme Court decision in Olmstead v. L. C. by Zimring (1999) 527 U.S. 581, in which the United States Supreme Court concluded that under the Americans with Disabilities Act of 1990, persons with disabilities have the right to live in the most integrated community setting possible, and to avoid undue institutionalization. Adult day health care is a critical service in achieving the goals of this decision.*

SEC. 4. *Section 1570.7 of the Health and Safety Code is amended to read:*

1570.7. As used in this chapter:

(a) “Adult day health care” means an organized day program of therapeutic, social, and health activities and services provided pursuant to this chapter to elderly persons with functional impairments, either physical or mental, for the purpose of restoring or maintaining optimal capacity for self-care. Provided on a short-term basis, adult day health care serves as a transition from a health facility or home health program to personal independence. Provided on a long-term basis, it serves as an ~~option~~ *alternative* to institutionalization in long-term health care facilities, when 24-hour skilled nursing care is not medically necessary or viewed as desirable by the recipient or his or her family.

(b) “Adult day health center” or “adult day health care center” means a licensed and certified facility that provides adult day health care.

(c) “Elderly” or “older person” means a person 55 years of age or older, but also includes other adults who are chronically ill or ~~impaired~~ *disabled* and who would benefit from adult day health care.

(d) “Individual plan of care” means a plan designed to provide recipients of adult day health care with appropriate treatment in accordance with the assessed needs of each individual.

(e) “License” means a basic permit to operate an adult day health care center. With respect to a health facility licensed pursuant to Chapter 2 (commencing with Section 1250), “license” means a special permit, as defined by Section 1251.5, empowering the health facility to provide adult day health care services.

(f) “Maintenance program” means procedures and exercises that are provided to a participant, pursuant to Section 1580, in order to generally maintain existing function. These procedures

1 and exercises are planned by a licensed or certified therapist and
2 are provided by a person who has been trained by a licensed or
3 certified therapist and who is directly supervised by a *registered*
4 nurse or by a licensed or certified therapist.

5 (g) “Planning council” or “council” means an adult day health
6 care planning council established pursuant to Section 1572.5.

7 (h) “Restorative therapy” means physical, occupational, and
8 speech therapy, and psychiatric and psychological services, that
9 are planned and provided by a licensed or certified therapist. The
10 therapy and services may also be provided by an assistant or aide
11 under the appropriate supervision of a licensed therapist, as
12 determined by the licensed therapist. The therapy and services are
13 provided to restore function, when there is an expectation that the
14 condition will improve significantly in a reasonable period of
15 time, as determined by the multidisciplinary assessment team.

16 (i) “Committee” means the Long-Term Care Committee
17 established pursuant to Section 1572.

18 (j) “Department” or “state department” means the State
19 Department of Health Services.

20 *SEC. 5. Section 1572 of the Health and Safety Code is*
21 *amended to read:*

22 1572. (a) The functions and duties of the State Department of
23 Health Services provided for under this chapter shall be performed
24 by the California Department of Aging commencing on the date
25 those functions are transferred from the State Department of
26 Health Services to the California Department of Aging. The
27 authority, functions, and responsibility for the administration of
28 the adult day health care program by the California Department of
29 Aging and the State Department of Health Services shall be
30 defined in an interagency agreement between the two departments
31 that specifies how the departments will work together.

32 (b) The interagency agreement shall specify that the California
33 Department of Aging is designated by the ~~state~~ department as the
34 agency responsible for community long-term care programs. At a
35 minimum, the interagency agreement shall clarify each
36 department’s responsibilities on issues involving licensure and
37 certification of adult day health care providers, payment of adult
38 day health care claims, prior authorization of services,
39 promulgation of regulations, and development of adult day health
40 care Medi-Cal rates. In addition, this agreement shall specify that

1 the California Department of Aging is responsible for making
2 recommendations to the State Department of Health Services
3 regarding licensure as specified in subdivision ~~(g)~~ (f). The
4 interagency agreement shall specify that the State Department of
5 Health Services shall delegate to the California Department of
6 Aging the responsibility of performing the financial and cost
7 report audits and the resolution of audit appeals ~~which~~ *that* are
8 necessary to ensure program integrity. This agreement shall also
9 include provisions whereby the State Department of Health
10 Services and the California Department of Aging shall collaborate
11 in the development and implementation of health programs and
12 services for older persons and ~~functionally impaired adults~~
13 *persons with disabilities*.

14 (c) As used in this chapter, “director” means the Director of
15 Health Services.

16 (d) ~~(1) A Long-Term Care Committee is hereby established in~~
17 ~~the California Department of Aging. The committee shall include,~~
18 ~~but not be limited to, a member of the California Commission on~~
19 ~~Aging, who shall be a member of the Long-Term Care Committee~~
20 ~~of the commission, a representative of the California Association~~
21 ~~for Adult Day Services, a representative of the California~~
22 ~~Association of Area Agencies on Aging, a representative of the~~
23 ~~California Conference of Local Health Officers, a member of a~~
24 ~~local adult day health care planning council, nonprofit~~
25 ~~representatives and professionals with expertise in Alzheimer’s~~
26 ~~disease or a disease of a related disorder, a member of the~~
27 ~~California Coalition of Independent Living Centers, and~~
28 ~~representatives from other appropriate state departments,~~
29 ~~including the State Department of Health Services, the State~~
30 ~~Department of Social Services, the State Department of Mental~~
31 ~~Health, the State Department of Developmental Services and the~~
32 ~~State Department of Rehabilitation, as deemed appropriate by the~~
33 ~~Director of the California Department of Aging. At least one~~
34 ~~member shall be a person over 60 years of age.~~

35 ~~(2) The committee shall function as an advisory body to the~~
36 ~~California Department of Aging and advise the Director of the~~
37 ~~California Department of Aging regarding development of~~
38 ~~community-based long-term care programs. This function shall~~
39 ~~also include advice to the Director of the California Department~~

1 of Aging for recommendations to the department on licensure,
2 Medi-Cal reimbursement, and utilization control issues.

3 (3) The committee shall be responsible for the reviewing of
4 new programs under the jurisdiction of the California Department
5 of Aging.

6 (4) The committee shall assist the Director of the California
7 Department of Aging in the development of procedures and
8 guidelines for new contracts or grants, as well as review and make
9 recommendations on applicants. The committee shall take into
10 consideration the desirability of coordinating and utilizing
11 existing resources, avoidance of duplication of services and
12 inefficient operations, and locational preferences with respect to
13 accessibility and availability to the economically disadvantaged
14 older person.

15 (e) The California Department of Aging shall prepare
16 guidelines for adoption by the local planning councils setting forth
17 principles *standard criteria* for evaluation of community need for
18 adult day health care, which shall take into consideration the
19 desirability of coordinating and utilizing existing resources,
20 avoidance of duplication of services and inefficient operations,
21 and locational preferences with respect to accessibility and
22 availability to the economically disadvantaged older person.

23 (f) —

24 (e) The California Department of Aging shall review county
25 plans submitted pursuant to Section 1572.9. These county plans
26 shall be approved if consistent with the guidelines adopted by the
27 director pursuant to subdivision (e) (d).

28 (g) —

29 (f) The Director of the California Department of Aging shall
30 make recommendations regarding licensure to the Licensing and
31 Certification Division in the State Department of Health Services.
32 The ~~recommendation~~ *recommendations* shall be based on all of the
33 following criteria:

34 (1) An evaluation of the ability of the applicant to provide adult
35 day health care in accordance with the requirements of this chapter
36 and regulations adopted hereunder.

37 (2) *Compliance with Medi-Cal certification requirements*
38 *pursuant to Section 14552 of the Welfare and Institutions Code.*

39 (3) *Compliance with the local approved adult day health care*
40 *plan.*

1 ~~(3)–~~

2 (4) Other criteria that the director deems necessary to protect
3 public health and safety.

4 ~~(h) A public hearing on each individual proposal for an adult~~
5 ~~day health care center may be held by the department in~~
6 ~~conjunction with the local adult day health care council in the~~
7 ~~county to be served. A hearing shall be held if requested by a local~~
8 ~~adult day health care council. In order to provide the greatest~~
9 ~~public input, the hearing should preferably be held in the service~~
10 ~~area to be served.~~

11 *SEC. 6. Section 1572.5 of the Health and Safety Code is*
12 *amended to read:*

13 1572.5. (a) The board of supervisors of any county may
14 establish for that county an adult day health care planning council
15 as provided in this section. Alternatively, two or more adjacent
16 counties may agree to form a single adult day health care planning
17 council with jurisdiction in all participating counties. Each council
18 shall be comprised of 17 members appointed by the board of
19 supervisors, or jointly appointed by the boards of supervisors of
20 counties having a single council, as follows:

21 (1) Nine members of the council shall be persons over 55 years
22 of age who have a demonstrated interest in the special health and
23 social needs of the elderly and who are representative of
24 organizations dedicated primarily to the needs of older persons,
25 including those of low-income and racial and ethnic minorities.

26 (2) A representative of the area agency on aging designated
27 pursuant to Public Law 94-135 or, if none, a county agency
28 responsible for services to senior citizens.

29 (3) A representative of a county agency responsible for
30 administering health programs for senior citizens.

31 (4) A representative of the county medical society.

32 (5) A representative of a publicly funded senior citizen
33 transportation program.

34 (6) A representative of a health facility or organization of
35 health facilities providing acute or long-term care to the elderly.

36 (7) A member-at-large who has demonstrated an interest in
37 alternatives to institutional long-term care.

38 ~~(8) A functionally impaired adult member with~~ *person with a*
39 *disability who has* a demonstrated interest in community-based,

1 long-term care needs of ~~the functionally impaired~~ *persons with*
2 *disabilities who is 18 or over, and is an adult* under 55 years of age.

3 (9) A representative of the county department of public social
4 services, or the equivalent agency.

5 (b) The board of supervisors, with the approval of the
6 *California* Department of Aging, may designate the area agency
7 on aging advisory council as the adult day health care planning
8 council in counties in which all of the following exist:

9 (1) An adult day health care planning council has not been
10 established.

11 (2) The board of supervisors governs the area agency on aging.

12 (3) The area agency on aging has demonstrated interest and
13 commitment in alternatives to institutional long-term care.

14 (4) The area agency on aging advisory council includes
15 representatives of county or community-based agencies ~~which~~
16 *that* are responsible for administering or providing long-term care
17 services or ~~which~~ *that* have demonstrated an interest in developing
18 long-term care alternatives.

19 The board of supervisors shall seek the advice and assistance of
20 other health and transportation representatives identified in this
21 section.

22 (c) If persons meeting the qualifications specified by any
23 paragraph of subdivision (a) are unavailable or unwilling to serve
24 on the council, the appointing power may apply to the director for
25 an exemption. In this case, the director shall grant an exemption
26 and shall specify ~~such~~ alternative qualifications ~~as~~ *that* will best
27 serve the purposes of this chapter with due regard for local
28 conditions.

29 *SEC. 7. Section 1572.9 of the Health and Safety Code is*
30 *amended to read:*

31 1572.9. (a) Each planning council approved by the director
32 as meeting the compositional requirements of Section 1572.5 shall
33 adopt an adult day health care plan for the county or counties
34 represented by the council. The plan shall be consistent with the
35 state guidelines adopted pursuant to subdivision ~~(e)~~ *(d)* of Section
36 1572 ~~and may include the council's recommendations respecting~~
37 ~~providers initially determined to be suitable for approval as adult~~
38 ~~day health care centers. These initial recommendations shall not~~
39 ~~bind the council with respect to future consideration of individual~~
40 ~~applications for licensure.~~

(b) Prior to adopting the plan, the council shall hold a hearing or hearings thereon at which public comment shall be received and considered. The hearing or hearings shall be noticed in advance in the manner prescribed by the state department. The number of hearings shall be determined by the state department in consultation with the local planning council. The plan shall become effective when approved by the Long-Term Care Committee.

SEC. 8. Section 1573 of the Health and Safety Code is repealed.

~~1573. The director shall submit any application for licensure as an adult day health center within a planning council's jurisdiction to the council for its review and recommendations. Any comments of the council on such an application shall be submitted to the director within 30 days after receipt of the application or copy thereof.~~

SEC. 9. Section 1573.5 of the Health and Safety Code is amended to read:

1573.5. The director may, by regulation the issuance of statewide guidelines, provide for such periodic review and update of the state guidelines and county adult day health care plans as that the director determines are necessary to identify and meet current needs for adult day health care. Revision of the state guidelines and county plans pursuant to this section shall be subject to the same requirements prescribed for initial adoption thereof.

SEC. 10. Section 1574 of the Health and Safety Code is repealed.

~~1574. The state department may delegate to local health departments the authority to verify compliance with the licensing and approval provisions of this chapter, and regulations adopted pursuant to this chapter to provide consultation, and to recommend disciplinary action by the department against those licensed or approved under the provisions of this chapter. In exercising the authority so delegated, the local health department shall conform to the requirements of this chapter and to the rules and regulations of the state department. Payment to the local health departments for services performed pursuant to this section shall be in accordance with a budget submitted by the local health department and approved by the state department. Such expenditures shall not~~

1 ~~exceed amounts appropriated by the Legislature for the purpose of~~
2 ~~such inspection and enforcement.~~

3 *SEC. 11. Section 1574.7 of the Health and Safety Code is*
4 *amended to read:*

5 1574.7. (a) The department and the licensing agencies with
6 which it contracts for licensing shall review and make a final
7 determination within 60 days of an applicant's submission of a
8 complete application on all applications for a license to operate an
9 adult day health *care* center if the applicant possesses a current
10 valid license to operate an adult day health *care* center at another
11 site. ~~Applicants~~ *An applicant* shall note on the application, or in
12 a cover letter to the application, that ~~they possess~~ *he or she*
13 *possesses* a current valid license at another site, and the number of
14 that license.

15 (b) The department shall request a fire safety clearance from
16 the appropriate fire marshal within five days of receipt of an
17 application described in subdivision (a). ~~The~~

18 (c) *The* applicant shall be responsible for requesting and
19 obtaining the required criminal record clearances.

20 ~~(e)~~

21 (d) If the department for any reason is unable to comply with
22 subdivision (a), it shall, within 60 days of receipt of the application
23 described in subdivision (a), grant a provisional license to the
24 applicant to operate for a period not to exceed six months, except
25 as provided in subdivision ~~(d)~~ (e). While the provisional license is
26 in effect, the department shall continue its investigation and make
27 a final determination on the application before the provisional
28 license expires. The provisional license shall be granted, provided
29 the department knows of no life safety risks, the criminal records
30 clearances, if applicable, are complete, and the fire safety
31 clearance is complete. The director may extend the term of a
32 provisional license for an additional six months at the time of the
33 application, if the director determines that more than six months
34 will be required to achieve full compliance with licensing
35 standards due to circumstances beyond the control of the
36 applicant, and if all other requirements for a license have been met.

37 ~~(d)~~

38 (e) If the department does not issue a provisional license
39 pursuant to subdivision ~~(e)~~ (d), the department shall issue a notice
40 to the applicant identifying whether the provisional license has not

1 been issued due to the existence of a life safety risk, lack of a fire
2 safety clearance, lack of a criminal records clearance, *or* failure to
3 complete the application, or any combination of these reasons. If
4 a life safety risk is identified, the risk preventing the issuance of
5 the provisional license shall be clearly explained. If a lack of the
6 fire safety clearance is identified, the notice shall include the dates
7 on which the department requested the clearance and the current
8 status of that request, and the fire marshal's name and telephone
9 number to whom a fire safety clearance request was sent. The
10 department shall identify the names of individuals for whom
11 criminal records clearances are lacking. If failure to complete the
12 application is identified, the notice shall list all of the forms or
13 attachments that are missing or incorrect. This notice shall be sent
14 to the applicant no later than 60 days after the applicant filed the
15 application. If the reasons identified in the notice are corrected, the
16 department shall issue the provisional license within five days
17 after the corrections are made.

18 ~~(e)–~~

19 (f) The department shall, immediately after January 1, 1993,
20 develop expedited procedures necessary to implement
21 subdivisions (a), (b), (c), ~~and~~ (d), *and* (e).

22 ~~(f)–~~

23 (g) The department shall, immediately after January 1, 1993,
24 develop an appeal procedure for applicants under this section for
25 both denial of licenses and delay in processing applications.

26 *SEC. 12. Section 1574.8 is added to the Health and Safety*
27 *Code, to read:*

28 *1574.8. Notwithstanding Section 1574.7 or any other*
29 *provision of law, if an adult day health care center licensee also*
30 *provides adult day care or adult day support center services, the*
31 *adult day health care license shall be the only license required to*
32 *provide these additional services. Costs shall be allocated among*
33 *the programs in accordance with generally accepted accounting*
34 *practices.*

35 *SEC. 13. Section 1575.2 of the Health and Safety Code is*
36 *amended to read:*

37 1575.2. An applicant for initial licensure as an adult day
38 health care center shall file with the department, pursuant to its
39 regulations, an application on forms furnished by the department,
40 that shall include, but not be limited to, the following:

(a) Evidence satisfactory to the department that the applicant, its directors, officers, and the person designated to manage the day-to-day affairs of the proposed adult day health care center are of reputable and responsible character.

(b) Evidence satisfactory to the department of the ability of the applicant to comply with the provisions of this chapter and of rules and regulations adopted pursuant thereto by the department. *This evidence shall include, but not be limited to, the following:*

(1) *A statement of precertification approval provided by the California Department of Aging pursuant to Section 14552 of the Welfare and Institutions Code.*

(2) *Evidence that a place of business has been secured through purchase or lease that will serve as the licensed adult day health care facility.*

(c) Evidence satisfactory to the department that the applicant for a license to operate an adult day health care center possesses financial resources sufficient to operate each licensed center for a period of not less than 30 calendar days and that these resources are identified for adult day health care center operations. The financial reserve requirements may be met, in whole or in part, by a line of credit or a loan.

(d) Any other information as may be required by the department for the proper administration and enforcement of this chapter.

SEC. 14. Section 1575.5 of the Health and Safety Code is amended to read:

~~1575.5. Concurrently with~~ *Prior to the submission of any application under Section 1575.2, the applicant shall apply to the state department for eligibility certification as a provider of adult day health care services reimbursable under the Medi-Cal Act (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code). No license shall be issued or renewed for an adult day health center which that is not approved as a Medi-Cal provider of adult day health care services.*

SEC. 15. Section 1579 of the Health and Safety Code is amended to read:

1579. (a) A rural alternative adult day health care center shall operate its programs a minimum of three days weekly, unless the program can justify, to the satisfaction of the department, fewer

1 days of operation due to space, staff, financial, or participant
2 reasons.

3 (b) Any program desiring to become a parent center and
4 develop a satellite program may be located in a service area that
5 does not meet the population requirements of the rural service
6 areas and need not be in the same county as a satellite. The satellite
7 shall be located in an area that meets the population requirements
8 of a rural service area, and shall be located within a reasonable
9 distance of the parent center to allow sharing of administration,
10 services, and supervision. Parent and satellite centers shall be
11 located in the same licensing district office.

12 (c) Notwithstanding any other provision of law, the
13 administrator or program director of a parent center may, with the
14 approval of the department, serve as the administrator or program
15 director for up to three additional satellite sites.

16 (d) For the purposes of this section, the following definitions
17 apply:

18 (1) “Parent” means a licensed and certified adult day health
19 care center that establishes one or more satellites. A satellite may
20 be in the county of the parent or rural service areas. The parent
21 center shall provide administration, supervision, and, with the
22 approval of the department, may share services and staff with one
23 or more satellite centers. The parent center’s license and
24 certification shall cover adult day health care services at one or
25 more satellites.

26 (2) “Rural alternative adult day health care center” means an
27 adult day health care center located in a rural service area.

28 (3) “Rural service area” means any identified service area in
29 an approved adult day health care county plan with 200 or less
30 estimated adult day health care eligible population and with two
31 or more of the following characteristics:

32 ~~(A) Is more than one-half hour direct driving time from an~~
33 ~~urban area of 50,000 population or more.~~

34 ~~(B) Has no other adult day health care center, other than the~~
35 ~~parent center, within one-half hour direct driving time.~~

36 ~~(C)~~

37 (B) Has geographic or climatic barriers, including, but not
38 limited to, snow, fog, ice, mountains, inadequate highways, or
39 weather, that make transportation to ~~another~~ *the parent* adult day
40 health care center impractical.



~~(D)~~—

(C) Is located in a county with an overall population density of less than 100 persons per square mile.

~~(E)~~—

(D) Can demonstrate in the application for ~~licensure~~ *certification* that a shortage of qualified professionals exists in the county or service area.

(4) “Satellite” means an adult day health care center established in a rural service area by an existing licensed and certified adult day health care center for the purposes of extending rural adult day health care services to another location. A satellite shall be located close enough to the adult day health center so that administration, supervision, and services may be shared in a manner that does not compromise care and makes it unnecessary for the satellite to be separately licensed. Each satellite shall meet fire and life safety regulations and laws. Prior approval from the department is required before operating or opening a satellite.

SEC. 16. Section 1580 of the Health and Safety Code is amended to read:

1580. (a) The ~~state~~ department shall adopt and may from time to time amend or repeal, in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the reasonable rules and regulations as may be necessary or proper to carry out the purposes and intent of this chapter and to enable the ~~state~~ department to exercise the powers and perform the duties conferred upon it by this chapter, not inconsistent with any statute of this state. ~~The~~

(b) ~~The~~ regulations shall prescribe standards of safety and sanitation for the physical plant of adult day health *care* centers and standards for the quality of adult day health care services, including, but not limited to, staffing with duly qualified personnel and average daily staffing requirements. For the purposes of computing average daily attendance staffing requirements, maintenance programs for elderly persons shall, as of January 1, 1992, be included in the calculation for monthly total hours of services provided. ~~In~~

(c) In adopting the regulations, the ~~state~~ department shall take into account ~~the~~ *all of the following*:

1 (1) *The physical and mental capabilities and needs of the*
2 *persons to be served, and consideration shall be given to flexible*
3 *served.*

4 (2) *Flexible application of safety and sanitation standards, if*
5 *necessary, to be consistent with the legislative intent of*
6 *establishing adult day health care programs in locations easily*
7 *accessible to economically disadvantaged older persons. Program*

8 (3) *Flexibility needed to meet the needs of California's minority*
9 *and ethnically diverse older population.*

10 (d) *Program* standards contained in regulations adopted
11 pursuant to this section shall be those specified in Chapter 8.7
12 (commencing with Section 14520) of Part 3 of Division 9 of the
13 Welfare and Institutions Code.

14 SEC. 17. *Section 14520 of the Welfare and Institutions Code*
15 *is amended to read:*

16 14520. This chapter shall be known and may be cited as the
17 Adult Day Health Care Medi-Cal Law Act.

18 SEC. 18. *Section 14521 of the Welfare and Institutions Code*
19 *is amended to read:*

20 14521. It is the intent of the Legislature in enacting this
21 chapter to establish adult day health care as a Medi-Cal benefit and
22 to allow persons eligible to receive the benefits under Chapter 7
23 (commencing with Section 14000) of this part, and who have
24 medical or psychiatric impairments, to receive adult day health
25 care services. It is the intent of the Legislature in authorizing this
26 Medi-Cal benefit to ~~establish and continue~~ *promote* a
27 community-based system of quality day health services which will
28 ~~(1) ensure~~ *do all of the following:*

29 (1) *Ensure that elderly persons older adults and persons with*
30 *disabilities will not be institutionalized prematurely and*
31 *inappropriately, (2) provide or inappropriately.*

32 (2) *Provide appropriate health and social services designed to*
33 *maintain elderly persons older adults and persons with disabilities*
34 *in their own homes, (3) establish homes.*

35 (3) *Establish adult day health care centers in locations easily*
36 *accessible to the economically disadvantaged elderly person, and*
37 ~~(4) encourage persons who are economically disadvantaged.~~

38 (4) *Encourage the establishment of rural alternative adult day*
39 *health care centers which that are designed to make adult day*

health care accessible to ~~impaired Californians~~ *older adults and persons with disabilities* living in rural areas.

(5) *Build upon the 1999 United States Supreme Court decision in Olmstead v. L. C. by Zimring (1999) 527 U.S. 581, in which the United States Supreme Court concluded that, under the Americans with Disabilities Act of 1990, persons with disabilities have the right to live in the most integrated community setting possible and to avoid undue institutionalization. Adult day health care is a critical service in achieving the goals of this decision.*

SEC. 19. *Section 14528 of the Welfare and Institutions Code is amended to read:*

14528. Before acceptance into the program, all adult day health care providers shall conduct a multidisciplinary assessment ~~directed towards for the purpose of~~ ascertaining the individual's ~~pathological medical diagnosis, physical disability limitations,~~ functional ability, psychological status, ~~and social supports, and physical living environment.~~

SEC. 20. *Section 14529 of the Welfare and Institutions Code is amended to read:*

14529. (a) The multidisciplinary ~~health~~ team conducting an assessment shall consist ~~of at least of, at minimum,~~ the individual's personal physician or a staff physician, ~~or both,~~ a registered nurse, and a social worker.

(b) *The multidisciplinary team shall conduct an initial assessment.* For the initial assessment, the multidisciplinary ~~health~~ team shall ~~also~~ include, *in addition to the team members described in subdivision (a),* a physical therapist and an occupational therapist. In addition, when the need is identified by a physician or nurse, qualified consultants with skills in recreational therapy, speech language pathology, or dietary assessment shall serve as team members.

~~(c) The multidisciplinary team described in subdivision (b) shall conduct an initial assessment.~~ At the time of reassessment, if an individual plan of care has been developed by the physical therapist or the occupational therapist, ~~they~~ *he or she* shall reassess the participant to determine any ongoing or different needs for physical therapy or occupational therapy services. If it is determined that no further physical therapy or occupational therapy is needed, the physical therapist and the occupational therapist shall not be required to sign the treatment plan. ~~For~~

~~further reassessments, the nurse or physician~~ The multidisciplinary team shall determine if *it is necessary for a reassessment to be conducted by the physical therapist or occupational therapist is needed.*

(d) The ~~assessment~~ multidisciplinary team shall:

(1) Determine the medical, psychosocial, and functional status of each participant.

(2) Develop an individualized plan of care, including goals, objectives, and services designed to meet the needs of the person, which shall be signed by each member of the multidisciplinary team, ~~except that the signature of only one physician member of the team shall be required.~~

(3) At least biannually reassess the participant's individualized plan care and make any necessary adjustments to the plan.

(4) If the initial assessment or any subsequent reassessment shows that restorative therapy is needed, ~~acute rehabilitative restorative~~ treatment shall be provided by the appropriate licensed or certified personnel.

(5) If the initial assessment or any subsequent reassessment shows that restorative therapy is not needed, the multidisciplinary team shall determine whether the participant requires maintenance program services and if the *multidisciplinary* team finds that the participant requires these services, the multidisciplinary team shall develop an individual maintenance program as part of the plan of care.

SEC. 21. *Section 14550 of the Welfare and Institutions Code is amended to read:*

14550. Adult day health care centers shall offer, and shall provide directly on the premises *in accordance with individual participant needs*, at least the following services:

(a) Rehabilitation services, including the following:

(1) Occupational therapy ~~as an adjunct to treatment~~ *appropriate to meet the needs of the participants and* designed to restore or maintain impaired function of ~~patients~~ participants with physical or mental limitations.

(2) Physical therapy appropriate to meet the needs of the ~~patient~~ participants *and designed to restore or maintain impaired function of participants with physical or mental limitations.*

(3) Speech ~~therapy~~ *and language pathology services* for participants with speech or language disorders.

(b) Medical services ~~supervised~~ *authorized* by either the participant's personal physician or a staff physician, ~~or both~~, which emphasize prevention, treatment, rehabilitation, and continuity of care ~~and also provide for maintenance of adequate medical records~~. To the extent otherwise permitted by law, medical services may be provided by nurse practitioners, as defined in Section 2835 of the Business and Professions Code, operating within the existing scope of practice, or under standardized procedures pursuant to Section 2725 of the Business and Professions Code, or by registered nurses practicing under standardized procedures pursuant to Section 2725 of the Business and Professions Code.

(c) Nursing services, including the following:

(1) Nursing services rendered by a professional nursing staff, who periodically evaluate the particular nursing needs of each participant and provide the care and treatment that is indicated *in the individual plan of care*.

(2) Self-care services oriented toward activities of daily living and personal hygiene, such as toileting, bathing, and grooming.

(3) *Health education, as needed.*

(d) Nutrition services, including the following:

(1) The program shall provide a minimum of one meal per day ~~which~~ *that* is of suitable quality and quantity as to supply at least one-third of the daily nutritional requirement. Additionally, ~~special therapeutic~~ diets and supplemental feedings shall be ~~available provided if indicated~~ *prescribed by the personal or staff physician*.

(2) Dietary counseling and nutrition education for the participant and his or her family shall be a required adjunct of ~~such~~ *service when indicated in the plan of care*. Dietary counseling and nutrition education may be provided by a professional registered nurse, unless the participant is receiving a ~~special therapeutic~~ diet prescribed by a physician, or ~~a~~ *the* nurse determines that the services of a registered dietician are necessary.

(3) *For purposes of this chapter, "therapeutic diet" means any diet modified for purposes of this chapter, from a regular diet in a manner essential to the treatment or control of a particular disease or illness, and that is prescribed by a physician. A registered dietician shall review all therapeutic diet orders.*

(e) Psychiatric or psychological services ~~which~~ *that* include consultation and individual assessment by a psychiatrist, clinical psychologist, or a psychiatric social worker, when indicated, and group or individual treatment for persons with diagnosed mental, emotional, or behavioral problems *that are not being treated elsewhere, and that interfere with activities of daily living or with the participant's ability to participate in the program.*

(f) Social ~~work~~ services to participants and their families to help with personal, family, ~~and adjustment problems~~ *or other issues* that interfere with the effectiveness of ~~treatment~~ *care and services*. Social services shall be supervised by a person who holds a master's degree from an accredited school of social work, psychology, gerontology, or a related field, or by a person who holds a bachelor's degree from an accredited school in social work, psychology, gerontology, or a related field, and who has demonstrated skills, knowledge, ability, and two years of experience.

(g) Planned recreational and social activities suited to the needs of the participants and designed to encourage physical exercise, to prevent deterioration, and to stimulate social interaction.

~~(h) Transportation service for participants, when needed, to and from their homes utilizing specially equipped vehicles to accommodate participants with severe physical disabilities that limit their mobility.~~

~~(i)~~ Written procedures for dealing with emergency situations. These written procedures shall include either of the following:

(1) The use of a local 911 emergency response system.

(2) All of the following elements:

(A) The name and telephone number of a physician on call.

(B) Written arrangements with a nearby hospital for inpatient and emergency room service.

(C) Provision for ambulance transportation.

SEC. 22. Section 14552 of the Welfare and Institutions Code is amended to read:

14552. ~~In order to obtain certification~~ (a) Prior to obtaining initial licensure as a provider of adult day health care services under this chapter and Chapter 7 (commencing with Section 14000), the following standards shall be met:

~~(a)~~ applicant shall obtain precertification approval from the California Department of Aging. The California Department of

1 Aging may precertify an applicant prior to the applicant's
2 submission of a licensing application. The California Department
3 of Aging shall make a determination as to the applicant's
4 compliance with applicable laws under, and regulations adopted
5 pursuant to, this chapter. The requirements for provisional
6 certification shall consist of all of the following:

7 (1) (A) Except as provided in subparagraph (B) or (C), prior
8 to filing a precertification application, the applicant shall attend
9 an orientation provided by the California Department of Aging.
10 The orientation shall include, but not be limited to, information on
11 the following areas:

12 (i) Completion of the application for certification and
13 licensure.

14 (ii) Scope of operation subject to regulation by the department.

15 (B) An applicant who is already licensed for a facility in the
16 same category shall not be required to attend an orientation if the
17 last orientation the applicant attended was within two years of the
18 next scheduled orientation.

19 (C) An applicant applying for more than one facility license
20 pursuant to this chapter or pursuant to Chapter 7 (commencing
21 with Section 14000) shall be required to attend only one
22 orientation.

23 (2) The applicant shall submit to the California Department of
24 Aging a precertification application that includes, but is not
25 limited to, all of the following:

26 (A) A statement from the local planning council identifying all
27 of the following:

28 (i) The applicant's designated service area in accordance with
29 the approved local adult day health care plan.

30 (ii) The need for an adult day health care facility in the service
31 area as demonstrated by all of the following:

32 (I) A list of other adult day health care programs in the
33 immediate and adjoining service areas, including information as
34 to each center's licensed capacity and average daily attendance.

35 (II) A description of the target population the applicant intends
36 to serve.

37 (III) A needs analysis using current census data that describes
38 all of the following with respect to the target population:

39 (ai) Socioeconomic status.

40 (a ii) Number of persons over the age of 65 years.

- 1 (iiii) Number of persons over the age of 65 years who are
- 2 potential adult day health care consumers.
- 3 (aiv) Population density.
- 4 (av) Number of Medi-Cal beneficiaries.
- 5 (avi) The number of younger adults with disabilities.
- 6 (avii) The number of younger adults with disabilities who are
- 7 potential adult day health care consumers.
- 8 (aviii) Number of individuals currently enrolled in adult day
- 9 health care or the PACE program.
- 10 (B) A program plan, including, but not limited to, proposed
- 11 facility capacity.
- 12 (C) Policies and procedures.
- 13 (D) A marketing plan.
- 14 (E) A proforma budget, and monthly cash flow projection.
- 15 (3) After accepting a completed precertification application,
- 16 and prior to approving or denying the application, the department
- 17 shall conduct a face-to-face interview with the applicant.
- 18 (4) In order to determine whether the applicant qualifies for
- 19 precertification, the California Department of Aging shall
- 20 examine all of the following:
- 21 (A) The ability of the applicant to comply with the provisions
- 22 of this chapter and of the rules and regulations governing adult day
- 23 health care.
- 24 (B) The planning council recommendation as to need for the
- 25 program.
- 26 (C) The feasibility of the applicant's marketing strategies
- 27 relative to the target population.
- 28 (D) The applicant's ability to provide the services described in
- 29 the program plan and to coordinate with other services in the
- 30 home- and community-based continuum of care based on the
- 31 applicant's knowledge, skills, and experience.
- 32 (b) The California Department of Aging may give priority to an
- 33 application for precertification based on demonstrated need or on
- 34 any or all of the following criteria:
- 35 (1) The applicant is in a rural area.
- 36 (2) The applicant is in a county or service area in which there
- 37 are no existing centers.
- 38 (3) The applicant will deliver services in an area with a
- 39 significant number of low-income elderly.



1 (4) *The applicant will target persons with special needs, such*
2 *as Alzheimer's disease, related dementia, or developmental*
3 *disabilities.*

4 (c) *If a county does not have an authorized planning council,*
5 *the department may exempt the applicant for precertification from*
6 *local planning council review and require the applicant to conduct*
7 *his or her own analysis of need.*

8 (d) *An applicant that is precertified by the department may*
9 *submit a licensing application pursuant to Article 3 (commencing*
10 *with Section 1575) of Chapter 3.3 of Division 2 of the Health and*
11 *Safety Code.*

12 (e) *In order to obtain final certification as a provider of adult*
13 *day health care under this chapter and Chapter 7 (commencing*
14 *with Section 14000), an applicant shall meet all of the following*
15 *standards:*

16 (1) *The provider or applicant shall have met all other*
17 *requirements of licensure as an adult day health care center*
18 *pursuant to Chapter 3.3 (commencing with Section 1570) of*
19 *Division 2 of the Health and Safety Code.*

20 ~~(b)~~

21 (2) *The provider or applicant shall comply with requirements*
22 *of this chapter regarding program and scope of services.*

23 ~~(c)~~

24 (3) *The provider or applicant shall have appropriate licensed*
25 *personnel.*

26 ~~(d)~~

27 (4) *The provider or applicant shall employ ~~allied health and~~*
28 *~~social~~ required personnel for furnishing of required services*
29 *consistent with ~~good medical practice~~ commonly accepted*
30 *professional standards.*

31 ~~(e)~~

32 (5) *The provider or applicant shall afford to each participant all*
33 *rights, including the right to be free from harm and abuse,*
34 *identified in the rules and regulations adopted pursuant to Section*
35 *1580 of the Health and Safety Code.*

36 ~~(f)~~

37 (6) *A provider or applicant serving a substantial number of*
38 *participants of a particular racial group, or participants whose*
39 *primary language is ~~other than~~ not English, shall employ staff of*

1 ~~that particular racial or linguistic group at all times~~ *who can meet*
2 *the cultural and linguistic needs of the participant population.*

3 ~~(g) A~~

4 (7) *The provider or applicant* shall have organizational and
5 administrative capacity to provide services under provisions of
6 this chapter.

7 ~~(h) A~~

8 (8) *The provider or applicant* shall submit for review and
9 approval by the California Department of Aging a facility program
10 plan for providing adult day health care services that meets *all of*
11 *the following requirements:*

12 ~~(1)–~~

13 (A) The facility program plan shall be developed, submitted,
14 and approved prior to initial licensure and certification, prior to
15 any change in the specialty or specific population to be served, or
16 as required by the California Department of Aging.

17 ~~(2)–~~

18 (B) The facility program plan shall include all of the following:

19 ~~(A)–~~

20 (i) The number of participants to be served.

21 ~~(B)–~~

22 (ii) A profile of the participant population that addresses
23 specific needs of the population, including, but not limited to, frail
24 elderly or specialization in a particular disability.

25 ~~(C)–~~

26 (iii) A summary of the specific program elements, including
27 those that specifically address the population served.

28 ~~(D)–~~

29 (iv) A summary of the specialized professional or program staff
30 who will provide services specific to the specialty population
31 served and their responsibilities.

32 ~~(E)–~~

33 (v) An in-service training program plan for at least a six-month
34 interval.

35 ~~(F)–~~

36 (vi) A sample of an individual plan of care developed by the
37 multidisciplinary team and under the direction of the program
38 director and a sample of a one-week schedule of daily services
39 based on the individual plan of care.

40 ~~(G)–~~

(vii) A plan for any behavior modification program that is used with a specialty population such as developmentally or mentally disabled persons.

~~(3)~~

(C) The provider or applicant shall be notified in writing of the approval of the facility program plan.

~~(4)~~

(D) If the facility program plan is not approved, the provider or applicant shall be notified in writing of the components of the plan that need to be clarified or corrected. The provider or applicant may submit a revised plan to the California Department of Aging for reconsideration.

SEC. 23. *Section 14570 of the Welfare and Institutions Code is amended to read:*

14570. (a) The department shall adopt all necessary rules and regulations providing for quality of care and payment for services rendered under this chapter pursuant to Chapter 7 (commencing with Section 14000). ~~All regulations heretofore adopted by the department pursuant to this chapter, and that are in effect immediately preceding the operative date of the amendment of this section enacted by the Legislature during the 1977-78 Regular Session, shall remain in effect and shall be fully enforceable unless and until readopted, amended, or repealed by the director.~~

(b) The director shall establish a distinct organizational entity within the department that shall have primary responsibility for the Adult Day Health-Care Medi-Cal program. This entity shall coordinate and direct all departmental activities required by this chapter.

SEC. 24. *Section 14571 of the Welfare and Institutions Code is amended to read:*

14571. The department, in consultation with the California Association for Adult Day Services, shall develop a rate methodology. The methodology shall take into consideration all allowable costs associated with providing adult day health care services. Once a methodology has been approved by the department, it shall be the basis of future annual rate reviews.

Payment shall be for services provided in accordance with an approved individual plan of care. ~~Billing shall be submitted directly to the department.~~ Additionally, the department shall

1 establish a reasonable rate of reimbursement for the initial
2 assessment.

3 Nothing in this section shall preclude the department from
4 entering into specific prospective budgeting and reimbursement
5 agreements with providers.

6 *SEC. 25. Section 14573 of the Welfare and Institutions Code*
7 *is amended to read:*

8 14573. (a) Initial Medi-Cal certification for adult day health
9 care providers shall expire 12 months from the date of issuance.
10 The ~~director~~ department shall specify ~~any~~ a date ~~he or she~~
11 ~~determines is~~, *determined by the department to be* reasonably
12 necessary because of the record of the applicant and to carry out
13 the purposes of this chapter, but not more than 24 months from the
14 date of issuance, when renewal of the certification shall expire.
15 The certification may be extended for a period of not more than 60
16 days if the department determines it to be necessary.

17 (b) Before certification renewal the provider shall submit with
18 the application therefor a report according to department
19 specifications that includes an analysis of income and
20 expenditures, continued demonstrated community need, services,
21 participant statistics and outcome, and adherence to policies and
22 procedures.

23 (c) Prior to approving renewal of Medi-Cal certification, the
24 department and the California Department of Aging shall conduct
25 ~~a financial review and onsite medical and management reviews an~~
26 *onsite survey* with the licensing review. The reviews shall be
27 conducted by a team of persons with appropriate technical skills.
28 The ~~management review survey~~ shall be performed by the entity
29 responsible for directing and coordinating the program, as
30 specified in the interagency agreement entered into pursuant to
31 Section 1572 of the Health and Safety Code.

32 ~~(d) Where the director determines that the public interests~~
33 ~~would be served thereby, a public hearing may be held on any~~
34 ~~renewal application subject to this section. The findings of the~~
35 ~~departmental program and licensing reviews and the provider's~~
36 ~~annual evaluation report shall be presented at the hearing.~~

37 *SEC. 26. Section 14575 of the Welfare and Institutions Code*
38 *is amended to read:*

39 14575. ~~Each adult day health care provider shall maintain a~~
40 ~~uniform accounting and reporting system as developed by the~~

1 ~~department, in consultation with the provider. The department~~
2 ~~shall implement a uniform cost accounting system and train~~
3 ~~providers in this system by July 1, 1987. The California~~
4 ~~Department of Aging, in coordination with the department may~~
5 ~~approve an alternative cost accounting system where the provider~~
6 ~~demonstrates the ability to report comparable and reliable data.~~
7 The provider shall submit annual cost reports to the department,
8 unless otherwise specified in an interagency agreement entered
9 into pursuant to Section 1572 of the Health and Safety Code, no
10 later than five months after the close of the licensee's fiscal year.
11 The report shall be submitted in the format prescribed by the state.
12 Each facility shall maintain, for a period of four years following
13 the submission of annual cost reports, financial and statistical
14 records of the period covered by the cost reports which are
15 accurate and in sufficient detail to substantiate the cost data
16 reported. These records shall be made available to state or federal
17 representatives upon request. The department, unless otherwise
18 specified in an interagency agreement entered into pursuant to
19 Section 1572 of the Health and Safety Code, may request a
20 financial review performed by an independent certified public
21 accountant as part of the provider's annual cost report. All certified
22 financial statements shall be filed with the department within a
23 period no later than three months after the department's request.
24 The department, unless otherwise specified in an interagency
25 agreement entered into pursuant to Section 1572 of the Health and
26 Safety Code, may require a limited or complete certified public
27 accountant audit when the monitoring activities carried out
28 pursuant to Section 14573 reveal significant financial
29 management deficiencies.
30 ~~legislation that would do all of the following with respect to the~~
31 ~~law relating to the provision of adult day health care services:~~
32 ~~(a) Revise existing law, including reorganizing existing~~
33 ~~provisions to improve readability, clarifying confusing language,~~
34 ~~removing obsolete provisions, and updating provisions that have~~
35 ~~not been implemented.~~
36 ~~(b) Align existing law with current professional practices.~~
37 ~~(c) Reduce unnecessary paperwork.~~
38 ~~(d) Reduce the overlapping jurisdictions of appropriate~~
39 ~~divisions of the State Department of Health Services and the~~
40 ~~California Department of Aging.~~

- 1 ~~(c) Rationalize the licensing process, particularly with respect~~
- 2 ~~to initial licenses.~~
- 3 ~~(f) Clarify the role and responsibilities of the local planning~~
- 4 ~~councils.~~
- 5 ~~(g) Encourage rural programs by providing more program~~
- 6 ~~flexibility.~~
- 7 ~~(h) Identify regulatory reform goals.~~
- 8 ~~(i) Any other necessary revisions identified by the Medi-Cal~~
- 9 ~~and licensing work groups of the California Association for Adult~~
- 10 ~~Day Services.~~

